

GUARANTIES BOARD FOR MORATORIUM

Committee, After Visit to Berlin, Will Report in Paris This Week.

ASKS ADDED POWERS

Suggests It Be Given Actual Supervision of German Finances.

COULD GET MORE GOODS

Idea of Payments in Kind Is Gaining in Favor Among French Leaders.

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Germany needs the moratorium which she has requested, but if the powers of the Committee on Guaranties are extended to cover the actual supervision of financial and commercial affairs she will be in a position to meet even greater payments in merchandise than have so far been exacted.

This is the summary of the committee's report, which has already been started and which will be delivered to the Reparations Commission this week.

Even the French experts, according to information obtained by THE NEW YORK HERALD correspondent from a reliable source, have agreed to the necessity of substituting reparations in kind for the cash arrangement, although they insist that if this is to be effective it must be accompanied by real control over every phase of Germany's business relations, and that there must be greater loyalty than has been shown thus far towards the efforts of the committee to unravel the German financial tangle.

Accept Payments in Kind.

This explains the haste of the French Government during the last week, to organize cooperatives in the devastated regions so as to take advantage of the Wiesbaden agreement, whereby the French are to receive up to 2,000,000 gold marks in kind during the next three years, although up to the present neither individuals nor industries in the devastated districts have shown a great desire to take advantage of payments in kind, preferring to deal direct with the French Government as long as the treasury was able to advance cash.

Premier Poincaré intends to notify Berlin immediately that the Wiesbaden accord must be considered operative beginning July 20, and will seize the first sign of recalcitrance on Germany's part again to invoke a formal notification to Germany by the Reparations Commission of "wilful default," thereby warranting the bringing up of the sanctions question.

Although the committee on guaranties is virtually unanimous in its opinion that Germany is primarily responsible for her own financial difficulty, it is not believed that the Reparations Commission will consider this to be "voluntary" despite the assistance of a financial nature. None of the French Premier's conversations with M. Dubois, the French thesis must be upheld by him before the Reparations Commission.

The request by the committee on guaranties to make it more than a body to investigate books after a default is accomplished, however, will be well received by the French as opening the way to sanctions of a financial nature. None here now is anxious to extend the military occupation if there is any possibility of Germany wiping off the reparations obligations by merchandise deliveries.

French Budget Upset.

The most troublesome feature about Germany's plea for a moratorium on all cash payments, including the settlement of individual pre-war claims, is the immediate effect it will have on the French budget provisions for the payment of the army of occupation.

The French army up to the present has a claim of one billion-odd gold marks that is unpaid, and as France had counted on even reduced cash payments from Berlin to ease the financial tension in this direction the Reparations Commission will be asked to devise some method whereby Germany still be made to pay at least "concurrent" accounts other than those distinctly earmarked as reparations during any moratorium period.

HOTEL MEN RESENT NEW PRUSSIAN TAX

Say It Violates Treaty; States Not Bound, Officials Claim.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD. New York Herald Bureau, Berlin, July 16.

Berlin hotel keepers are taking refuge behind the Versailles treaty against the determination of the Prussian Government to levy a tax of 200 per cent. on all foreigners who occupy furnished lodgings. The protests so far have been unavailing though the treaty specifically forbids taxing foreigners more than Germans.

Prussian Government officials say that the treaty is with the nation and not with the States and declare that the tax will be put into effect August 1. There will also be a 10 per cent. guest tax. This, with the present lodging tax, will make a 1,000 mark room (the average price in the best hotels) cost 2,000 marks.

The hotel keepers say that they will address a protest to the Allies if the new order is carried out.

FREE STATE FORCES TAKE DUNDALK AND FORT INCH

Seize 300 Prisoners in Town With but Two Casualties Among Rebels; White Flag Hoisted Over Donegal Stronghold.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD. New York Herald Bureau, Dublin, July 16.

Free State forces entered Dundalk today, according to an official bulletin issued here, and captured 300 rebels and large quantities of arms. One rebel was killed and another wounded in attempting to leave the captured barracks. The Free Staters suffered no casualties.

The fighting in the streets of Limerick is progressing favorably for the Free State forces and preparations are being made for other big actions in the south-west.

The fighting outside the counties of Limerick, Tipperary, Cork and Kerry consists mostly of inconclusive engagements, as the rebels seldom put up a real fight after a strong Free State force arrives. There is plenty of work for the troops in the western counties, but this consists mostly of mopping up the rebels and establishing garrisons to maintain order.

The rebels, however, are concentrating their strength and are attempting to cut the southwestern counties off from the rest of the country. The Free State

forces now threaten Waterford and gradually are breaking down the defenses of the rebels, at the same time keeping the road open in preparation for attacking the rebels' outposts at Thurles.

Eamon de Valera, according to an anti-rebel party statement, is now serving as director of operations for the irregulars, who have moved their general headquarters from Limerick to Thurles.

BELFAST, July 16 (Associated Press).

Inch Fort, in Donegal, capitulated today to the Free State troops. This fort was an important British naval station in the earlier stages of the world war. It was heavily shelled Saturday evening, with an eighteen pounder. To-day the Free State troops penetrated for a considerable distance into the island and after another bombardment, Capt. Mullan, leader of the rebels, hoisted a white flag and marched out, with twenty-one men, who were made prisoners.

The center of resistance is now Glenbeg castle, flying columns from which are still causing much havoc.

IRISH TRADE GROWS DESPITE REBELLIONS

Magnified Reports of Paralysis Proved False by Commerce Statistics.

The Free State Government of Ireland and its industrial and agricultural forces have not been so seriously affected by the rebellion there as many people of America have been led to believe by reports that seemed to indicate a grave business paralysis.

The latest available statistics at the local office of the United States Department of Commerce show that Irish exports for the five months ending June 1 were less by only 10 per cent. than they were in the same period last year and that the little Irish exports the first five months of this year overtopped those of the same period last year by more than \$5,000,000, being \$13,316,503.

A falling off is expected by observers in the totals of June and July both in imports and exports, but it is believed it will not be heavy and may be even light.

That the Irish Government is confident of its triumph over the rebels is shown by the way its officials are going on with their plans for industrial development. This is well illustrated by harbor and other waterway improvement projects under way despite the activities of the Republican rebels.

George F. Nicholson, port engineer of Seattle, Wash., who returned recently from Queenstown, where he had been summoned to survey the harbor and give estimates of the cost of improving it and the contiguous harbor of Cork, said the Free State Government was on the way to success and he expected the building of up to date docks and deepening of channels so that even the mighty White Star liner Majestic might be up in Queenstown harbor would be begun shortly. He estimated the improvements would cost about \$8,000,000 and would make the Irish harbor comparable with the best in the world.

There has been little letup in the sailing of Irish American passengers from this side to Ireland. They seem to look upon the Republican uprisings as quite natural manifestations of the defeated and pay as little attention to them as an average American bound for Chicago would to a riot in that city. They have not caused the postponement of Irish American excursions scheduled to go from this port and Boston. Only last Saturday a party of 100 members of the Ancient Order of Hibernians, famous for open hostility to British rule in Ireland but now apparently quite content, as a whole, with the new order of things as represented by the Free State Government, sailed by the White Star liner Cedric for Queenstown.

One of the leading spirits of the A. O. H. excursion, the largest that has departed for Ireland this summer, told a representative of the White Star Line that the Hibernians did not think much of the "revolution," classing it with Donnybrook ructions. The Hibernian felt pretty sure the trouble would be over soon. The line's passenger experts doubted that the Irish American patronage of ships bound for Ireland would be any larger if there were less violence in Ireland; in fact, they were inclined to suspect that the "shindies" would give a fillip to the visit.

AMERICAN FUNDS BACK ALSATIAN 'REPUBLIC'

More Promised Anti-French Natives in Two Provinces.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD. New York Herald Bureau, Paris, July 16.

American funds are behind the separatist movement developed in Alsace-Lorraine during the last few weeks and culminating in a mass meeting last week at Strasbourg, according to French investigators. It is said that an executive committee for a republic of Alsace-Lorraine was formed just after the war by anti-French natives in the two provinces. Headquarters were established at Baden Baden, where appeals for funds were sent throughout the United States a year ago. Ambassador Jusserand is said to have called the attention of the State Department to the movement.

It is now said that committees have received thousands of dollars in cash and promises of more funds from the United States for propaganda purposes. Committees are being directed by Cesar Ley and Zora Debulach. The French Government has evidence that funds are being liberally distributed to any person willing to incite the separatist movement.

KING RETURNS TO OTTAWA.

Discussed Numerous Problems in Washington.

OTTAWA, Ont., July 16.—Four or more problems, in addition to the Rush-Bagot agreement, were discussed between the Canadian and American authorities during the visit of Premier King to Washington, the official said on his return today.

These questions included the fisheries on both coasts, the great waterways, Canadian representation at the United States capital and redoubt treatment in income taxation. Besides these, some other matters of minor importance were referred to during the conferences. The trade question was not discussed.

LIKENS PROHIBITION SKEPTICS TO REDS

Attitude of Those Who Joke About Bootleggers Is Heinous, Says Rev. Mr. Foulkes.

America to-day stands between the pressure of Europe of the past and the menace of Asia of the future. The time has come for Americans to declare for liberty safeguarded by law, as opposed to the liberty of lawlessness.

This was the advice preached yesterday by Dr. William Hiram Foulkes, general secretary of the Presbyterian New Era Movement, who occupied the pulpit of the Central Presbyterian Church, Madison avenue and Fifty-seventh street, in the absence of the pastor, Dr. Dwight Witherspoon Wylie.

We are divided into two groups of thinkers, Dr. Foulkes said. One group believes in the old fashioned principle that liberty, a priceless jewel, has to be fought for and won, and then must be held by obedience to the law. The other group, newly formed, says real liberty is liberty without any law at all.

In this group he placed those who are "flippantly talking about the Eighteenth Amendment," and who have made the word "bootlegger" a subject for jest. Their attitude toward the law, Dr. Foulkes thinks, is "just as heinous as that of the unskilful Russian Red." He said America, born of Europe, is suffering now from Europe's misfortunes—her continued warfare and economic collapse. The League of Nations, he declared, was hailed by many as the cure, but it failed, and the world is slipping back into its old ways of intrigue and selfishness.

It is the shame of America and Great Britain, Dr. Foulkes continued, that the Turks are continuing to massacre Christians, and that these massacres cannot even be investigated by us because of fear that the balance of power among the European nations might be upset.

Of the railroad strike, he said: "We are in the midst of a strife between class and class, and I will venture to say that neither party has come into court with clean hands." Dr. Foulkes referred with apprehension to the fact that Chinese students are protesting against Christianity. The Chinese Minister, Dr. Alfred See, told him, he said, that China needs our missionaries, but among Chinese youth there is a feeling of antagonism to Christianity growing up.

ITALIAN PARLIAMENT TO TAKE UP FINANCES

Effort to Be Made This Week to Cut 1923 Budget.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD. New York Herald Bureau, Rome, July 16.

The discussion of the Italian Government's financial policy for the next year will be the principal subject before Parliament this week, when Camillo Peano, Minister of the Treasury, will submit a report. The treasury estimates this year's deficit at six and half billion lire, and an effort will be made to cut this amount in half for next year's budget, although many members of Parliament are skeptical.

It is hoped that some means will be found of balancing the budget and at the same time provide capital needed for industries. Unemployment is increasing in all industries except in agriculture and fishing. Italy's total unemployed is now four hundred thousand. The total new investment in stock companies for the first six months of this year was half a billion lire, compared with two billion the corresponding period of last year.

GERMANY WILL SUSPEND PAYING PRE-WAR DEBTS

600,000,000 Marks Trade Obligations Due This Year.

PARIS, July 16 (Associated Press).—Dr. Wilhelm Mayer, official representative of the German Government, has informed the French Government that Germany plans to suspend payments of her pre-war commercial debts, on which 600,000,000 gold marks shall be due this year, according to German calculations.

This sum is entirely outside the subject of reparations and is a matter for the Governments to consider as a basis for cash payments in reparations.

CUTS DEPUTIES' PAY.

Reduced Mexico Will Have Two Legislatures.

MEXICO CITY, July 16.—Senators and Deputies, like the other Federal employees, are to suffer salary reductions, President Obregon having prepared a decree which, it is said in official quarters, will materially decrease their pay. Twenty pesos a day is suggested as the probable salary of a Deputy.

There is talk of the possibility of two Legislatures meeting in the fall—one in Mexico City and the other in Oaxaca City—because of the controversy over credentials. Secretary of the Interior Calles, however, scouted the suggestion as ridiculous.

REDS ACCEPT OFFER TO REOPEN PARLEY

Will Restate Their Position at Invitation of Hague Conference.

TIME NOT YET SET

Whether Present Council Will Continue or New One Called Is Unknown.

MAY MODIFY POSITION

Non-Russians Still Await Formal Notice of Intentions of Bolsheviks.

THE HAGUE, July 16 (Associated Press).—Soviet Russia will accept Europe's invitation to restate its case. This information was conveyed to-night to the Associated Press by the Soviet spokesman. Whether that re-statement will result in a revival of the Hague conference, nobody, least of all the Russian delegates, dare predict.

Maxim Litvinoff, head of the Soviet delegation, has communicated with Moscow, and Russia's answer to the communication sent to the Russian delegation yesterday, which was virtually a bid for new declarations from the Russians, may be delayed until Moscow has its say.

Non Russians Prepare Reports.

In the meantime, the non-Russian delegations continued their work preparing reports of the three subcommittees, which will show why they failed to reach an accord with the Russian delegates on the vital questions of property, debts and credits. Whether these reports will be presented and adopted at a final plenary session on Wednesday depends on the nature of the Soviet answer, on which MM. Litvinoff, Krassin and Sokolnikoff labored throughout today.

"We hope," said the Soviet representative, "that our new statement will be deemed a basis for renewed negotiations, but that is for the non-Russian delegates to decide. We will try to make our position clear."

Europe's attempt to reconstitute the Hague conference is regarded here as additional proof of the seriousness of the general economic situation. The Hague has become a sort of barometer for Europe as a whole. The experts assembled here have been instructed by their home Governments to exhaust every possible means to reach an accord, or the beginning of an accord, with the Russians, because it is believed that any advance made in the solution of the Russian problem will contribute greatly to a betterment of the economic situation as a whole.

Patry Holds Door Open.

Informal attempts by the delegates to find common ground for reopening the discussions were followed last night by a letter which M. Patry, president of the Central Commission, sent to M. Litvinoff, setting forth that the presidents and members of all the subcommittees would be glad to give the Russians an opportunity to modify their previous declarations. The idea conveyed to the Russians was that perhaps they had been misunderstood and that the matters under negotiation were so grave that there ought to be no separations without redoubled attempts to reach an understanding.

Not many of the delegates to-night are hopeful, but all seem determined not to leave the Hague until they have satisfied themselves and their Governments that a compact with communism is an utter impossibility.

TRAVEL TO CONTINENT SETS HIGH RECORD

London Office Issues 1,700 Passports in Day.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD. New York Herald Bureau, London, July 16.

Never before have so many people left England for a tour of the Continent. The busiest office of the British Government is the Foreign Office, where during the week passports were issued at the rate of 1,700 a day. Travel agencies say that the exchange rates in some European countries, such as Germany and Austria, are encouraging many English people to travel.

Employees of the passport office complain that this year's record flow of travelers is causing them more trouble than usual, as most of the travelers obviously are inexperienced. The experienced traveler, they say, knows what he wants and gets it, whereas this year more than 2,000 inquiries are received daily from people wanting to know what they ought to do to get a passport. Last year's record of 1,500 passports a day, which was the highest at the time, no longer stands.

COURT RULES MOTORS MAY USE CAR TRACKS

Have as Much Right on Rails as Trams.

Special Cable to THE NEW YORK HERALD. Copyright, 1922, by THE NEW YORK HERALD. New York Herald Bureau, London, July 16.

A motor lorry has just as much right to use the street car tracks as the street car, according to the decision of Judge Mellor of Manchester in a suit arising from the collision of a lorry and a tram. He said that there was an impression that vehicles must get out of the way of trams, but this belief should not be encouraged. Ordinary traffic had as much right to follow the tracks as the cars.

AUSTRIA RAISES RAIL RATES.

VIENNA, July 16.—Parliament to-day authorized the Minister of Railways to increase rates to cover 75 per cent. of the existing deficit. The remaining 25 per cent. is to be covered through a reduction in the number of employees. The Minister of Finance has been authorized by Parliament to increase the price of tobacco 50 per cent.

FIVE DIE IN AIRPLANE FALL.

ZERNEN, Alsace-Lorraine, July 16.—An airplane attached to the Strasbourg-Paris service fell near here to-day. The pilot and four passengers were killed.

BUSINESS PROMISES IN RUSSIA A SNARE

German Manufacturers Have Tried in Vain to Establish Relations.

CONCESSIONS NOT USED

Soviet Could Not or Would Not Deliver the Goods When Time Came.

CAPITAL HELD UNSAFE

Big Firms Have Plenty of Risk No Money.

Special Correspondence to THE NEW YORK HERALD. New York Herald Bureau, Berlin, July 16.

So-called mixed enterprises, where the Soviet Government is a party in the company are a snare and a delusion.

"Until the Russians come half way German manufacturers and contractors will not spend money, nor begin work in Russia," summarizes the conclusions of large numbers of Germans who intended and still intend to reopen and to begin business in Russia. Since March of this year they have made preparations and investigated—but not invested.

When the trade agreement between the two countries was signed a year ago there was a rush of Germans for Russia. Trade with the Bolsheviks was to be a panacea for everything. The Soviet offices in Berlin were besieged by Germans who wanted to begin business. The word was then that Lenin with his new policy would make normal business possible. There were endless negotiations and some concessions concluded. There are now supposed to be as many as 1,500 concessions, large and small, granted in Russia. But as yet few of these have been put into practical execution and still fewer were secure enough for the Germans to feel safe in risking real money in them. Then, too, transportation difficulties are to a very great extent untouched.

Failed to Keep Contract.

The Germans say that the Russians for various reasons have failed to live up to their part of the contract. They promised much but could not, or would not deliver the goods. In many instances Germans have a feeling that the Soviet Government was doing business with them for politics and not with a serious intention to carry out agreements.

The first big German firms who sent their representatives to Russia were the Krupp and the General Electric Company. Siemens & Schuckert also sent experts on the invitation of Krassin, who formerly was an engineer in their plant. Then the octogenarian iron and coal magnate, August Thyssen, and Hugo Stinnes did the same. The next big firm to send engineers and agents into Russia was that of Julius Pintsch, the manufacturer of railroad signals, lighting devices and railroad repair parts.

Krupp agreed to cultivate some 200,000 acres of land in Russia, planting and sowing at least 20,000 of this in the fall. General Electric and Siemens & Schuckert had large interests in Russia and have sent taken up the same. Thyssen, who has coal mines and steel mills in the Ruhr, seeks to replace his losses in French and Moroccan mines by Russian fields. His principal need is manganese, and this is found in large quantities in the Ukraine. He also has negotiated for forest concessions for the wood he needs in his mills and he also has buyers out in the Caucasus for hardwoods.

Julius Pintsch, the Berlin railroad equipment maker, has found plenty to do in Russia in the railroad repair shops. Pintsch and Krupp have a number of engineers there. But here again Pintsch hesitates to put capital into Russia.

Stinnes Tries in Vain.

Stinnes looked into various enterprises. The Soviet Government imagined that they could get him to undertake enormous enterprises where combined world capital would be necessary, such as in the reconstruction of crumbling Petrograd. But the only big enterprise which interested Stinnes was the railroads. These last of all the Bolsheviks are inclined to let out of their hands. Stinnes also was willing to make limited port improvements in Petrograd. But this has not been settled.

Disappointed there Stinnes turned his attention to small enterprises. The first of these was to open hotels. He sent Herr Kraemer, director of the Esplanade Hotel in Berlin, to secure an option. It was rumored at first that he had bought two in Moscow. But the Soviet Government delayed action, raising various objections about the urgent need of the municipality of all rooms. Stinnes is still negotiating for the European Hotel in Moscow. It is said that he will receive it.

Then there are numerous organizations in Germany studying Russian affairs financed by groups of manufacturers. Among these is the German East European Commercial Association connected with the bank of that name. There are several important Rhineland firms in the combine. The director is Dr. Paul Meyer, a well known manufacturer in Elberfeld. This firm has an agreement with the Soviet Government to sell 200,000,000 paper marks worth of finished wares. It is not said how will finance the enterprise. This is no doubt one of the many deals which is bound to remain passive until German manufacturers can find American or English capital enough to oil the wheels of trade.

A second organization is the Hermes company, founded by a Swabian, with the backing of a hundred German firms, most of which formerly had business interests in Russia. Among these is the North German Lloyd. There are also several banks in the combine.


Another important combine is the Russo-German Association. This is composed mostly of exporters and firms which did a large trade in Russia. They had branches scattered over Russia and are already reaping their results.

a view to selling German wares in outlying Russian districts. The director of this organization is P. Rosemann in Berlin.

Improving Russian agriculture is a task which attracts German manufacturers, as well as German farmers. In the introduction of modern methods of farming German agricultural machine manufacturers see the one way to create a market for other wares. Krupp, for example, propose to make the production and exchange of grain the principal medium of their business dealings.

In Russia in the immediate future. There are also German associations which are interested only in farming. The principal of these is the Sowing company. This firm has concluded an agreement to take over several large estates in the neighborhood of Moscow. It begins plowing this fall. There is also a cooperative movement in Germany in favor of the German colonists decimated by famine in the Volga region. These enterprises are numerous. But for want of funds the enterprises are of a very limited nature.

PEAT MAKING TESTS ON. Toronto, Ont., July 16.—The Ontario Department of Mines will conclude its experiments in the manufacture of peat in the Alfred bog with this year's operations when it is hoped that the committee in charge of the work will have sufficient data to report with reasonable definiteness as to whether or not peat manufacture can be carried on on a basis making it possible for the product to compete successfully with coal.



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Beginning Today, Monday

Any Straw Hat in Our Stocks

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Made to sell at 4.00, 5.00, 6.00 and 7.00

All at **1.95**

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